

NMOCC CO.
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-005-60490

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

DEPCO, Inc.

O. C. C.

ARTESIA, OFFICE

3. ADDRESS OF OPERATOR

800 Central, Odessa, Texas 79761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1980' FS & EL Sec. 25, T12s, R29e, Unit Letter J

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

31 Miles Northwest of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. line, if any)

1980

16. NO. OF ACRES IN LEASE

640

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None

19. PROPOSED DEPTH

9520

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3812.6 Gr.

22. APPROX. DATE WORK WILL START*

On Approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	48	300	400 sk.
11	8 5/8	24 & 32	2350	450 sk.
7 7/8	4 1/2	11.6	9520	600 sk.

Mud program: Letter attached from Texas Mud & Chemical Co.
BOP program: See Exhibit E
Gas production not dedicated

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

D. R. Mason

TITLE

Chief Clerk

DATE

1-6-78

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

FEB 21 1978

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

ACTING DISTRICT ENGINEER

DATE

FEB 21 1978

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES MAY 21 1978

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Item 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Owner Depco. Inc.			Lease Sundance Fed. "A"			Well No. 1
Section Letter J	Section 25	Township 12 South	Range 29 East	County Chaves		
Actual Well Location of Well:						
1980 feet from the East line and		1980 feet from the South line				
Ground Level Elev 3812.6	Producing Formation Mississippi Lime		Pool Wildcat		Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

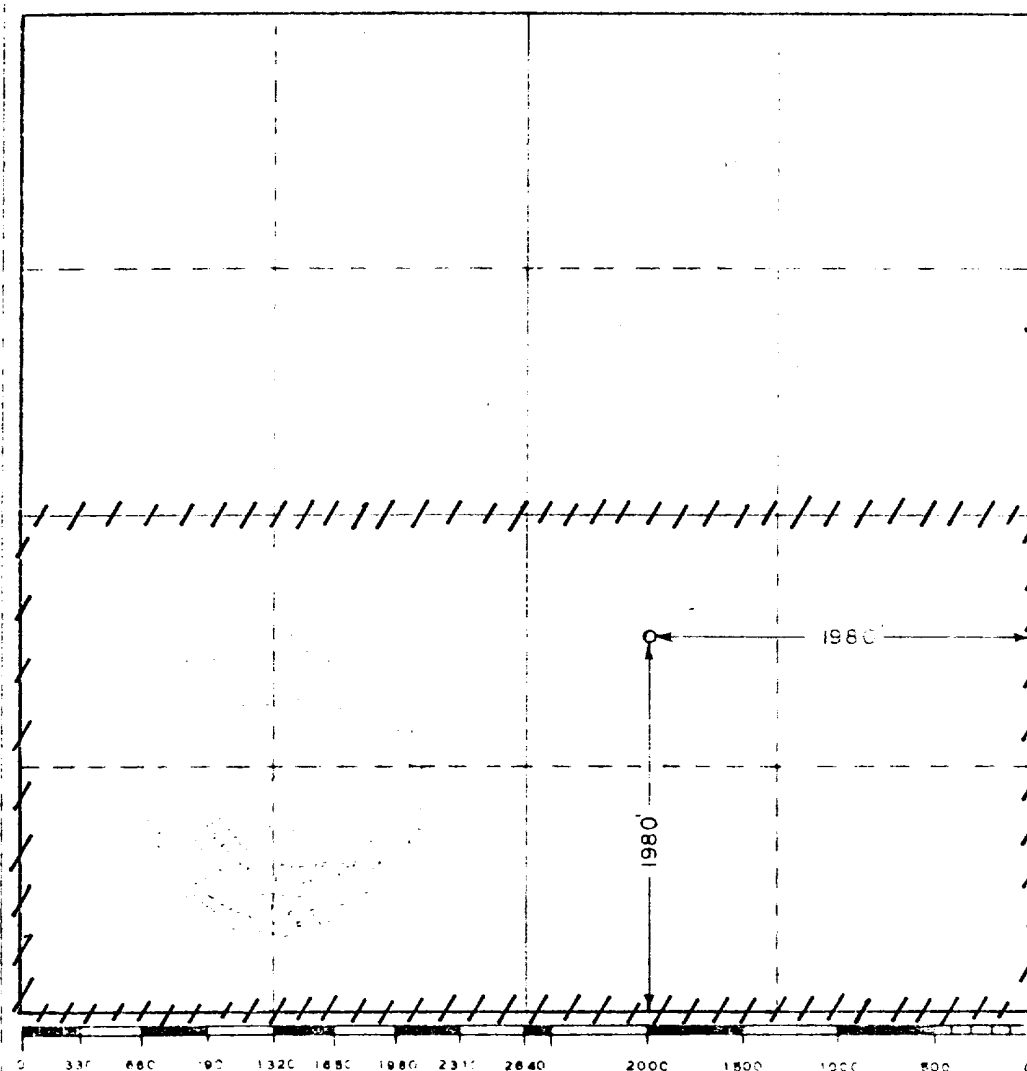
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☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

D. R. Mason

Name

D. R. Mason

Position

Chief Clerk

Company

DEPCO, Inc.

1-9-78

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

12/9/77

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No.

676

APPLICATION FOR DRILLING

DEPCO, Inc.
No. 1 Sundance Federal "A" Section 25 - T12S - R29E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill, DEPCO, Inc. submits the following items of pertinent information in accordance with USGS requirements.

1. The Estimated tops of geologic markers are as follows:

San Andres	2,303
Glorieta	3,753
Tubb	5,208
Abo	6,022
Wolfcamp	7,082
Cisco	7,788
Canyon	8,062
Strawn	8,582
Atoka	8,882
Morrow	9,090
Mississippi Ls	9,220
TD	9,520

2. The depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 100 feet or less.
Oil or Gas:	Abo 6,022-7,082
	Atoka 8,882-9,090
	Morrow 9,090-9,220
	Mississippi Ls 9,220-9,520

3. Proposed Casing Program: See Form 9-331C.
4. Pressure Control Equipment: See Form 9-331C and Exhibit E.
5. Mud Program: See Form 9-331C and attached letter from Texas Mud & Chemical Co.
6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
7. Testing, Logging and Coring Program:

Drill Stem Tests:	Abo	-1
	Atoka	-2
	Morrow	-1
	Miss. Ls	-1

10-foot samples from surface casing to TD.

Logging: Dual Laterolog and Compensated Neutron/Density
with Gamma Ray and Caliper.

8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

DEPCO, Inc.
No. 1 Sundance Federal "A"
1980' FSL and 1980' FEL
Section 25-T12S-R29E
Chaves County, New Mexico

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331C, Application for Permit to Drill covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the necessary surface disturbance and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit A is a portion of the USGS Map of Chaves County, New Mexico, on a scale of 1" = 2000' showing the area of the proposed wellsite and the roads in the vicinity. The wellsite is located approximately 31 miles north and west of Maljamar, New Mexico, and part of the access route to the location is indicated in red on Exhibit A.
- (1) Proceed east on Highway 82 from Maljamar, New Mexico, for approximately 1 mile to the intersection of Highways 82 and 31.
 - (2) Turn left on Highway 31 and continue for approximately 11 miles to the intersection of Highway 31 and 172. Continue north on Highway 172 to the 24 mile marker.
 - (3) Turn left through the cattleguard just opposite mile marker 24, then proceed west on an improved caliche road for approximately 10.7 miles to the intersection with an unimproved road. Turn left and go approximately 1.9 miles west to the abandoned dwelling at Lone Wolf Windmills. Turn left through gate and go approximately 0.5 miles south to a point where the road turns west.
 - (4) At this point, the proposed access road is staked to the location approximately 0.9 miles to the southeast. The location is staked and flagged and clearly visible.
- B. The existing improved access road has numerous turnouts, is in good condition, and will require minimal repair. The unimproved existing access road will be widened to 12 feet in width and will be covered with six inches of compacted caliche. The road will be crowned with drainage on both sides and three turnouts will be necessary.

2. PLANNED ACCESS ROAD.

- A. The proposed new access road will be approximately 0.9 miles in length and 12 feet in width. It will be covered with six inches of compacted caliche. The road will be crowned with drainage on both sides and at least one turnout will be necessary. The new road will meet the drilling pad at the northeast corner of the pad. One cattleguard will be required on the existing road just south of

the abandoned dwelling.

- B. The center line of the proposed new access road has been staked and flagged, and is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. See Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no DEPCO, Inc. production facilities on this lease.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas powered self contained unit will be utilized. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from privately owned or commercial sources and will be hauled to the location by truck over the existing and proposed roads on Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for construction of the drilling pad and the new access road, and repairs to the existing access road, will be obtained from one of the existing pits in the area.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or separate disposal application will be submitted to the U.S.G.S. for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits, and major rig components.
- B. The ground surface at this site is rolling mounds 6-8 feet in height, and the well location is on the northwesterly slope of one of these mounds. Approximately 4' cut and fill will be required to level the pad area, which will be covered with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk.
- B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.
- C. This location being on fee land, cleanup operations will require no restoration other than filling and levelling as per agreement with Mr. O. E. Malstrom, land owner.
- D. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The wellsite is in an area of gentle rises reaching 6-8 feet in height over a lateral distance of several hundred feet.
- B. The topsoil at the wellsite is moderately loose sand.
- C. The vegetation cover at the wellsite is of a sparse amount, and consists primarily of prairie grass, miscellaneous weeds, and prairie flowers. No wildlife was observed, but it is likely that typical semi-arid desert wildlife, such as rabbits, coyotes, gophers, rodents and snakes inhabit the area. The area is used for cattle grazing.
- D. There are no ponds, lakes, streams, or rivers within several miles of the wellsite.

- E. The nearest occupied dwelling is the Malstrom ranch house in the SW/SW Section 3-T12S-R29E, approximately 4.6 miles northwest. There are windmills northwest 1.4 miles in the NW/4 of Section 24, and 1.6 miles west in the SW/4 of Section 26.
- F. The wellsite is located on privately owned surface and the proposed access road is on private and federally owned surface.
- G. There is no evidence of any archeological, historical, or cultural sites in the area.

12. OPERATORS REPRESENTATIVES.

- A. The field representatives for assuring compliance with the approved surface use plan are:

Carl Bizzell
Production Superintendent
DEPCO, Inc.
800 Central Drive
Odessa, Texas 79761
Telephone: 915-337-1536 (Office)
915-366-2147 (Home)
915-337-5677 (Mobile)

Kenneth Ragsdale
DEPCO, Inc.
Home Address: 1501 Lolita Ave.
Artesia New Mexico 88210
Telephone: 505-746-3685 (Home)
505-365-2593 (Mobile)

13. CERTIFICATION.

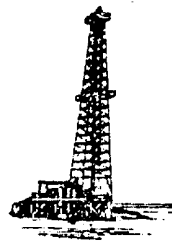
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by DEPCO, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

1-10-78
Date


C. O. Bizzell - Production Superintendent
DEPCO, Inc.

DEPCO, Inc.

Exploration & Production



800 Central
ODESSA, TEXAS 79760

January 9, 1978

United States Geological Survey
Carper Building
Artesia New Mexico 88210

Gentlemen:

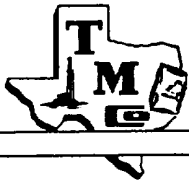
Re No. 1 Sundance Federal "A", 1980' FS & EL, Section 25, T12S, R29E,
this will certify that an agreement has been reached between DEPCO, Inc.
and Mr. O. E. Malmstrom concerning the work to be conducted in connection
with this project.

Mr. Malmstrom is the surface owner at the proposed drillsite location and
he has been advised as to the extent of the work to be performed and the
effect upon the surface, and has consented to the performance of this
work.

Sincerely,

A handwritten signature in cursive script that reads "C. O. Bizzell". The signature is fluid and stylized, with the first letters of each word being capitalized and prominent.

C. O. Bizzell
Production Superintendent
DEPCO, Inc.



TEXAS MUD AND CHEMICAL CO.

P. O. BOX 1966

PHONE A/C 915/381-0400

ODESSA, TEXAS 79760

December 28, 1977

Depco, Inc.
800 Central
Odessa, Texas 79761

Attn: Mr. C. O. Bizzell

Dear Carl;

We are pleased to submit a Mud Program for your Sundance Federal A-1, to be drilled in Sec. 25, T-12S, R-29E, Chaves County, New Mexico.

0 - 300'	T.M.C. Gel and Lime Vis. 45-50.
300 - 2,350'	Drill with native mud, circulating reserve, Caustic for P.H. control. Add Mud Seal if needed for seepage.
2,350 - 5,800'	Drill with fresh water, circulating reserve. Add Caustic for P.H. control 9.5 - 10. Add Mud Seal as needed for seepage.
5,800 - 6,800'	Add brine to raise chlorides to 100,000 P.P.M. Add Salt Gel and Visbestos to raise Vis. 33-34. Add 2-3% oil and 2-3% K.C.L. for Abo shale.
6,800 - 8,800'	Maintain Vis. 33-34, lower W/L 10 cc or less for D.S.T.
8,800 - T.D.	Maintain Vis. 33-34, lower W/L 5 cc or less before drilling into Marrow. Maintain 2-3% K.C.L. Raise Vis. 38-40 if needed for D.S.T. and Logging.

Drilg. Hazards: Heaving shale in Abo.

Est. Mud Cost: \$20,000.00

Engineer: J. F. Nimmons - Office - 381-0400 - Home - 381-0600

Stock Point: Lovington, New Mexico - Call Odessa - 381-0400

Thank you for the opportunity of submitting this program. We look forward to hearing from you soon.

Sincerely yours,

Leon Koonce, President
TEXAS MUD AND CHEMICAL COMPANY

EXHIBIT "A"

DEPCO, INC.
No. 1 Sundance Fed. A
1980' F5&EL
Sec. 25, T12S, R29E
Chaves Co., New Mex.

Improved access road
Unimproved access road
Proposed access road

6.1 Mi. to N. Mex. 172

